

New Freedom Initiative and 2004 President's Budget

In February 2001, the *New Freedom Initiative* was announced. It represents a government-wide framework for helping provide elders and people with disabilities with necessary supports to live and fully participate in community life.

HHS responded with the *Progress on the Promise* Report to the President in March 2002. The report and plan of action is based upon an exhaustive agency self-assessment and review and analysis of comments from more than 800 individuals and organizations representing diverse interests and disabilities. The process led HHS to identify critical barriers to community-based alternatives for people with disabilities and commit to take concrete action to reduce and eliminate those barriers.

Included in the President's Budget for 2004 are proposals that represent \$2.1 billion in funding over five years, with \$417 million proposed for FY 2004. There are four major commitments in the President's New Freedom 2004 budget for HHS:

Major Commitments in President's New Freedom 2004 Budget for HHS

"Money Follows the Individual" Rebalancing Initiative

A new \$1.75 billion, five-year program to help Americans with disabilities transition from nursing homes or other institutions to living in the community. This five-year initiative would assist states in developing and implementing a strategy to "re-balance" their long term care systems so that there are more cost-effective choices between institutional and community options, and to promote financing of long term care in a way that permits money to follow the person. The initiative includes 100% funding for a Medicaid equivalent, community-based service package in the first year for individuals who transition from institutions to the community.

National Demonstrations

\$220 million over five years in New Freedom demonstrations. With \$11 million proposed for FY 2004, these demonstrations would focus on:

- **Adult Respite:** Providing respite care for caregivers of adults
- **Children's Respite:** Providing respite care for caregivers of children
- **Direct Service Workers:** Improving the ability of community programs to recruit and retain direct service workers, such as personal assistance workers, through improving health coverage and other supports.
- **Children's Services:** Family and community-based programs for children with psychiatric disabilities, as an alternative to psychiatric residential treatment facilities.

Spousal Exemption

\$95 million over five years, with \$16 million proposed for FY 2004 to continue Medicaid eligibility for spouses of disabled individuals who return to work. Under current law, individuals with disabilities might be discouraged from returning to work because the income they earn could jeopardize their spouse's Medicaid eligibility. This proposal would extend to the spouse the same Medicaid coverage protection now offered to the disabled worker.

Systems Change Grants for Community Living

Another \$40 million for "Systems Change Grants" to support States efforts to expand community-based alternatives.

Events Planned for 2003

New Freedom Open Door Forums – These will be designed to address the commitment made in the HHS New Freedom Report to the President for a task force process focused on Medicaid reform actions that can help remove barriers to community living and participation on the part of people with a disability. The forums represent the optimum method by which to obtain input from the broadest array of stakeholders. They also represent the best method to facilitate participation on the part of people who might not otherwise be able to travel to a meeting.

New Freedom Initiative Open Door Forum Series	
Proposed Schedule	Preliminary Topics
March	Federal Budget 2003 and President's 2004 Budget: Overview of budget process and selected NFI initiatives.
April	"Money Follows the Individual": What is it and how can we achieve it? Discussion of the \$1.75 billion "Money Following the Person" initiative in the President's proposed budget submitted to Congress for 2004.
May	Self Directed Services: Discussion of tenets of self direction and issues related to quality, consumer protections, and payment to family members. Discussion of the new CMS <i>Independence Plus</i> waiver templates.
June	Quality for Home and Community Based Services: Briefing on CMS's quality framework. Development of policy issues and related solution strategies.
July	Home and Community Based Services Future Directions: What changes are needed to facilitate community integration?
August	Integrated Housing: Facilitating coordination of services with accessible and affordable housing.
September	Employment: Discussion of current efforts and ideas for "next steps to advance the employment of people who have a disability"
October	Long Term Care Workforce Issues: Discussion of strategies to address workforce and retention problems.
November	Federal Efforts to Improve Collaborations for Long Term Care Solutions: Discussion with the Office of Disability and other federal agencies.
December	(Tentative) Mental Health Issues/Initiatives: Discussion of follow-up initiatives related to the President's New Freedom Commission on Mental Health

CMS New Freedom Accomplishments in 2002

Systems Change Grants – Awarded \$125 million in 2001 and 2002.

Ticket to Work and Work Incentives Act (TWWIA)- Awarded \$16 million in 2001 and \$21 million in 2002 to forty states and the District of Columbia.

Independence Plus Waiver Template - Announced May 9th, 2002 – the template expedites the ability of states to request waivers that offer families or individuals greater opportunities to take charge of their own health and direct their own services.

Transitions from Institutions – State Medicaid Director Letter issued on August 13, 2002, highlighted methods some states have used to permit money to follow the person and encouraging other states to do so.

Promising Practices – A repository of State activities is published on the CMS website to assist states to strengthen their community long-term support systems.

CMS New Freedom Accomplishments in 2002

National Technical Assistance Strategy – CMS designed and implemented a national strategy to provide assistance to states, local organizations, and consumer groups. A cornerstones to this strategy are two technical assistance organizations that actively work with states to improve community-based service systems. In addition, CMS has enlisted two technical assistance organizations to work with states to further employment of persons with disabilities.